



Commonwealth of Massachusetts

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor

WHAT IS URBAN RENEWAL M.G.L. CHAPTER 121B

1. WHAT IS URBAN RENEWAL?

Certain cities and towns in the Commonwealth contain areas that are substandard, decadent or blighted open. Urban renewal is a strategy for redeveloping and revitalizing these disinvested, underutilized and blighted areas for residential, commercial, industrial, business, governmental, recreational, educational, hospital or other uses.

Under M.G.L. Chapter 121B municipalities, through their urban renewal agencies, are authorized to undertake a wide range of public actions to address these conditions and to create the environment needed to attract and support private development and promote sound growth in designated neighborhoods. Future development within these designated areas must be undertaken in accordance with use limitations specified in approved urban renewal plans. The Department of Housing and Community Development administers the urban renewal program, including assisting municipalities to establish and strengthen urban renewal entities, and providing technical assistance to prepare and implement urban renewal plans.

2. WHAT IS AN URBAN RENEWAL PLAN?

An Urban Renewal Plan is an application submitted by a municipality through its urban renewal agency to DHCD requesting its approval of a redevelopment project. The Urban Renewal Plan must include the following information as specified under Massachusetts implementation regulations 760 CMR 12.00:

- Maps of the project area;
- Data demonstrating that the area meets the eligibility criteria as a substandard, decadent or blighted open area;
- Project objectives including specifications of all proposed redevelopment and detailed job creation and retention estimates;
- A financial plan including cost estimates and a project budget;
- Local approvals;
- Site preparations including land protections and measures to address environmental or flood problems;
- Public improvements including how the improvements will help achieve the objectives of the plan;
- A relocation plan;
- Redeveloper's obligations (restrictions that are or will be placed on owners of individual parcels);
- Disposition for each parcel including any known redeveloper; and

- A report on citizen participation describing meaningful citizen participation in the planning process and expected citizen participation during project execution.

2. HOW IS AN URBAN RENEWAL PLAN EVALUATED?

In order to approve a proposed Urban Renewal Plan, DHCD must make the following six findings:

- (1) The project area would not, by private enterprise alone and without either government subsidy or the exercise of governmental powers, be made available for urban renewal -- i.e., without public involvement, the project/site would not be developed.
- (2) The proposed land uses and building requirements in the project area will afford maximum opportunity to privately financed urban renewal consistent with the needs of the locality as a whole -- i.e., the project will enhance/promote desired private investment.
- (3) The plan for financing the project is sound.
- (4) The project area is a decadent, substandard or blighted open area.
- (5) The urban renewal plan is complete as required under 760 CMR 12.00 (see #1 above).
- (6) The Relocation Plan is approved under M.G.L. c.79A.

When these findings have been made, DHCD will issue a letter of approval for project implementation. If the Urban Renewal Plan is not approved, it may be resubmitted with such modifications, supporting data, or arguments as are necessary to meet DHCD's written objections.

No urban renewal project may be undertaken until a public hearing relating to the urban renewal plan for the project has been held before the city council or the municipal officers of a town and approval is obtained by municipal officers and DHCD.

3. WHAT IS AN URBAN RENEWAL AGENCY?

An urban renewal agency may be either the local redevelopment authority, the local housing authority in a city or town in which there is no redevelopment authority or the local housing authority when a redevelopment authority was formed after the housing authority had already implemented some urban renewal projects. The powers and liabilities of an urban renewal agency are similar to those of a housing authority. The urban renewal agency is required to prepare an urban renewal plan in order to begin the process of redeveloping and improving substandard, decadent or open blighted areas as well as to plan for future land use.

4. WHAT IS A REDEVELOPMENT AUTHORITY?

Most of the Redevelopment Authorities operating in Massachusetts were originally created to take advantage of the federal Urban Renewal Program, serving as vehicles for carrying out the federal mandate to eliminate blight from inner cities. Although the federal program no longer exists, Redevelopment Authorities continue to play a role in the Commonwealth's revitalization under C.121B.

M.G.L. Chapter 121B allows municipalities, through their Redevelopment Authorities acting as urban renewal agencies, to eliminate and redevelop substandard, decadent or blighted open areas for industrial, commercial, business, residential, recreational, educational, hospital or other purposes. With the goals of revitalizing such land uses and encouraging new growth, Redevelopment Authorities have the power to:

- Establish rehabilitation and design standards;
- Assemble and dispose of land, including the taking of real estate through eminent domain;
- Relocate businesses and residents occupying urban renewal sites;
- Demolish and/or rehabilitate substandard structures;
- Participate in real estate development and commercial revitalization;
- Issue bonds, borrow money and invest funds;
- Receive grants and loans;
- Accept gifts or requests.

Redevelopment Authorities are particularly effective in large scale and complex redevelopment projects and in land assembly. Redevelopment Authorities are exempt from M.G.L. Chapter 30(b), the Uniform Procurement Act, when they are engaged in the development and disposition of real property in accordance with an urban renewal plan. This exemption, coupled with the ability to use eminent domain powers, makes Redevelopment Authorities powerful tools for commercial revitalization, industrial park development, infrastructure improvements, facilities renovation and brownfield site remediation. ***The development and approval of an urban renewal plan is necessary for a Redevelopment Authority to undertake specific projects.***

A Redevelopment Authority, as an independent body politic and corporate, is not an agency of a municipality and therefore, does not answer directly to the chief executive. This affords the Redevelopment Authority more autonomy in planning and implementing redevelopment and revitalization projects. A housing authority may undertake urban renewal projects if there is no Redevelopment Authority in the city or town.

5. HOW IS A REDEVELOPMENT AUTHORITY FORMED?

A Redevelopment Authority is an independent body politic and corporate, which is governed by an appointed five-member board. A municipality must first establish the need for a Redevelopment Authority through a vote by municipal officers or at town meeting. In a city, four members are appointed by the mayor or city manager and confirmed by the city council. In a town, after the town meeting vote establishing the redevelopment authority, town meeting may vote to authorize the board of selectmen to appoint four members. These members serve until the next annual town meeting, at which time an election is held to seat four successors. They serve until the next annual town meeting, at which time an election is held to seat four successors. The fifth member of the board, in both cities and towns, is appointed by DHCD. Board member terms are staggered over five years. Following these steps, the Secretary of State will issue a certificate of organization.

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